

October 31, 2019

The Honorable Blaise Ingoglia, Chair
House State Affairs Committee
402 South Monroe Street, 209 House Office Building
Tallahassee, FL 32399-1300

The Honorable Bobby Payne, Chair
House Local, Federal & Veterans Affairs Subcommittee
402 South Monroe Street, 209 House Office Building
Tallahassee, FL 32399-1300

The Honorable Anitere Flores, Chair
Senate Committee on Community Affairs
404 S. Monroe Street, 315 Knott Building
Tallahassee, FL 32399-1100

Dear Chairs Ingoglia, Payne, and Flores:

The Joint Legislative Auditing Committee (Committee) respectfully requests the consideration of legislation to expand the Legislature's authority to address troubled municipalities. Specifically, we request that you consider a general bill that would require any municipality in the State to hold a referendum based on certain criteria. The purpose of the referendum would be to allow the citizens an opportunity to vote on whether or not to dissolve their municipality. We further request that you determine the criteria that would trigger such an election. While this suggestion is the result of the Committee's recent involvement with the City of Opa-locka (City), the intent is to provide an option to the Legislature in addressing municipalities statewide that may need to consider dissolution.

For background, the Committee held a hearing related to the City and continued with a follow-up discussion during meetings on October 17 and 24, 2019, respectively. Governor Scott declared the City to be in a State of Financial Emergency in June 2016 and created a Financial Emergency Oversight Board the same month. In 2017, the Committee directed the Auditor General to perform an operational audit of the City.

As we approach almost three and a half years after the creation of the Financial Emergency Oversight Board, there does not appear to be an end in sight for its existence. The City was required, in accordance with the State and Local Agreement of Cooperation between the Governor and the City, to approve and submit a Five-Year Financial Recovery Plan (Plan) to the Governor by August 1, 2016. The City submitted its Plan approximately one year later; however, the Governor's Office rejected it and a revised Plan has not yet been submitted. The Auditor General's audit report, released in June 2019, included 99 audit findings and identified nearly \$5 million in questioned costs or potential avoidable losses for the City and its CRA. The City faces numerous critical infrastructure needs to address water, wastewater, storm water, roads, and other issues. In the City's prepared remarks for the Committee's meeting, it estimated that it needs \$70-\$90 million plus 10% for public works projects. The City indicated that it needs State Revolving Loan Funds for this purpose.

Several Committee members expressed concern for the City's residents and were frustrated that there is no action available to the Committee or the Legislature as a potential follow-up to the Committee's meetings. If the City was located in any other county, individual members could file

legislation to dissolve it if they were so inclined. However, the Miami-Dade County Home Rule Amendment in the Florida Constitution prohibits the Legislature from taking such action against any municipality in Miami-Dade County. To be clear, there was not a consensus among the Committee's members that the City should be dissolved.

Legislation that would force a vote regarding the continuation of a municipality's charter, if approved, could potentially help citizens in multiple areas of the State. Citizens of some smaller municipalities that continuously struggle to submit required financial audit reports, have had troubling reports from their own auditor, the Auditor General or a Grand Jury, have demonstrated that they are not good stewards of the taxpayers' funds, or have met other criteria that you determine pertinent may welcome the opportunity to decide the future of their municipality. While a municipality's charter or special act may allow for its citizens to sign a petition or take other actions to request the municipality's elected officials to set a referendum for dissolution, they may prefer to do so at the ballot box rather than in such an exposed manner as a petition.

Please contact the Committee's Coordinator, Kathy DuBose, if you have any questions. I thank you in advance for your consideration of the Committee's request.

Best Regards,

Representative Jason Fischer
Chair

Cc by email: Members, Joint Legislative Auditing Committee
Tom Hamby, Speaker's Office
Jacqui Peters, President's Office
Heather Williamson, House State Affairs Committee
Eric Miller, House Local, Federal & Veterans Affairs Subcommittee
Tom Yeatman, Senate Committee on Community Affairs
Melinda Miguel, Chief Inspector General